

# Final Project 1

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# The Impact of Social Media on Customer Satisfaction in Eastern Saudi Arabia's Horeca Sector

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# **1. Chapter 1: Introduction**

## **1.1. Research Background**

The rapid expansion of digital technologies has reshaped the way businesses communicate and interact with their customers. Among these technologies, social media has emerged as a powerful platform that enables organizations to share information, promote services, and engage directly with consumers. In the hospitality industry, social media plays an increasingly important role in influencing customer perceptions and experiences. As competition intensifies, businesses are paying greater attention to the use of social media as a tool for enhancing customer satisfaction and strengthening their market presence.

Eastern Saudi Arabia, which includes major urban centers such as Dammam, Al Khobar, and Dhahran, has experienced considerable growth in hospitality and tourism-related activities. At the same time, the widespread adoption of social media platforms has changed the way customers search for information, evaluate service providers, and share their experiences. Hotels, restaurants, cafés, and catering businesses are increasingly utilizing social media channels to connect with customers and promote their offerings, making these platforms an important element of the customer experience.

According to Kaplan and Haenlein (2010), social media provides businesses with new opportunities to communicate and engage with customers through digital platforms. Furthermore, Mangold and Faulds (2009) emphasized that social media has become an essential component of modern marketing communication, enabling organizations to influence customer attitudes and behaviors. Previous studies have also shown that customer engagement, online reviews, and responsiveness on social

media can significantly affect customer satisfaction and loyalty (Kim & Ko, 2012; Hudson et al., 2015). In addition, positive interactions through social media can enhance customers' perceptions of service quality and contribute to more satisfying service experiences.

Although social media has become an essential component of business operations within the hospitality industry, its influence on customer satisfaction in Eastern Saudi Arabia's Horeca sector has not been sufficiently explored. Differences in customer expectations, cultural preferences, and patterns of social media usage may affect how consumers evaluate hospitality services in this region. Consequently, further investigation is needed to gain a clearer understanding of this relationship.

A deeper examination of this topic can provide useful knowledge for hospitality businesses seeking to improve customer experiences and strengthen their relationships with consumers. The findings may also support managers and marketing professionals in designing more effective social media initiatives that contribute to higher levels of customer satisfaction.

Therefore, this study aims to examine the influence of social media on customer satisfaction in Eastern Saudi Arabia's Horeca sector. The findings seek to generate insights that can support the development of effective customer engagement practices and enhance service performance within the hospitality industry.

## **1.2. Research Problem**

The growing use of social media has transformed the way hospitality businesses communicate with customers and promote their services. Despite the increasing reliance on social media platforms within the Horeca sector, its effect on customer satisfaction in Eastern Saudi Arabia remains unclear. Although previous studies have examined social media's role in customer engagement and service experiences, few studies have focused on how social media influences customer satisfaction within the hospitality industry in this region.

### **1.2.1. Theoretical Gaps**

While social media has received considerable attention in marketing and hospitality research, there remains a lack of comprehensive understanding regarding its role in shaping customer satisfaction within the Horeca sector of Eastern Saudi Arabia. The region's evolving hospitality market and growing use of social media platforms suggest the need for additional theoretical insights into this area.

### **1.2.2. Practical Gaps**

Despite the widespread use of social media among hospitality businesses in Saudi Arabia, there is limited empirical evidence regarding its influence on customer satisfaction within Eastern Saudi Arabia's Horeca sector. Much of the existing research has been carried out in other industries or geographical locations, which may not accurately reflect the experiences and expectations of customers in this region.

Therefore, the research question of this study is how does social media influence customer satisfaction in Eastern Saudi Arabia's Horeca sector?

### **1.3. Research Significance**

This study holds significance at both the theoretical and empirical levels. It expands current knowledge regarding the influence of social media on customer satisfaction in Eastern Saudi Arabia's Horeca sector and provides useful insights that can support hospitality businesses in improving customer engagement, service quality, and digital communication practices.

#### **1.3.1. Theoretical Level**

At the theoretical level, previous research has examined social media and customer satisfaction across a range of industries and geographical settings. However, the hospitality sector in Eastern Saudi Arabia has received relatively limited scholarly attention. By investigating the connection between social media and customer satisfaction within the Horeca sector, this study contributes to the existing body of knowledge and offers further insight into customer experiences in a digitally connected hospitality environment.

#### **1.3.2. Practical Level**

From a practical perspective, the study offers information that can assist hotels, restaurants, cafés, and catering businesses in evaluating the effectiveness of their social media activities. By understanding how customers perceive and interact with digital content, organizations may be better positioned to enhance their online presence, increase customer satisfaction, and adapt their communication approaches to changing customer expectations.

## **1.4. Research Questions**

- How does social media engagement influence customer satisfaction in the HORECA sector in Eastern Saudi Arabia?
- To what extent do online customer reviews on social media affect customer satisfaction with hotels, restaurants, and cafés in Eastern Saudi Arabia?
- What is the relationship between social media marketing activities and customer satisfaction in the HORECA sector of Eastern Saudi Arabia?
- How does interaction between HORECA businesses and customers on social media contribute to customer satisfaction?
- Which social media factors (e.g., content quality, responsiveness, customer engagement, and online reviews) have the greatest influence on customer satisfaction in Eastern Saudi Arabia's HORECA sector?

## **1.5. Research Objectives**

The primary objective of this study is to examine the impact of social media on customer satisfaction in the HORECA sector in Eastern Saudi Arabia.

To achieve this objective, the study seeks to:

- To examine the influence of social media engagement on customer satisfaction in the HORECA sector in Eastern Saudi Arabia.
- To investigate the effect of online customer reviews on customer satisfaction with hotels, restaurants, and cafés in Eastern Saudi Arabia.
- To evaluate the relationship between social media marketing activities and customer satisfaction in the HORECA sector.

- To assess how interactions between HORECA businesses and customers through social media contribute to customer satisfaction.
- To identify the social media factors—including content quality, responsiveness, customer engagement, and online reviews—that have the greatest influence on customer satisfaction in Eastern Saudi Arabia's HORECA sector.

## **1.6. Research Hypotheses**

Based on the conceptual framework of the study, the following research hypotheses are proposed:

H<sub>1</sub>: Social media engagement positively influences customer satisfaction in the HORECA sector in Eastern Saudi Arabia.

H<sub>2</sub>: Online customer reviews positively influence customer satisfaction in the HORECA sector in Eastern Saudi Arabia.

H<sub>3</sub>: Social media marketing activities positively influence customer satisfaction in the HORECA sector in Eastern Saudi Arabia.

H<sub>4</sub>: Business–customer interactions positively influence customer satisfaction in the HORECA sector in Eastern Saudi Arabia.

H<sub>5</sub>: Content quality and responsiveness positively influence customer satisfaction in the HORECA sector in Eastern Saudi Arabia.

Null hypothesis ( $H_0$ ): Social media factors do not have a statistically significant influence on customer satisfaction in the HORECA sector in Eastern Saudi Arabia.

## 1.7. Research Model

The conceptual framework of the study is shown in Figure 1.

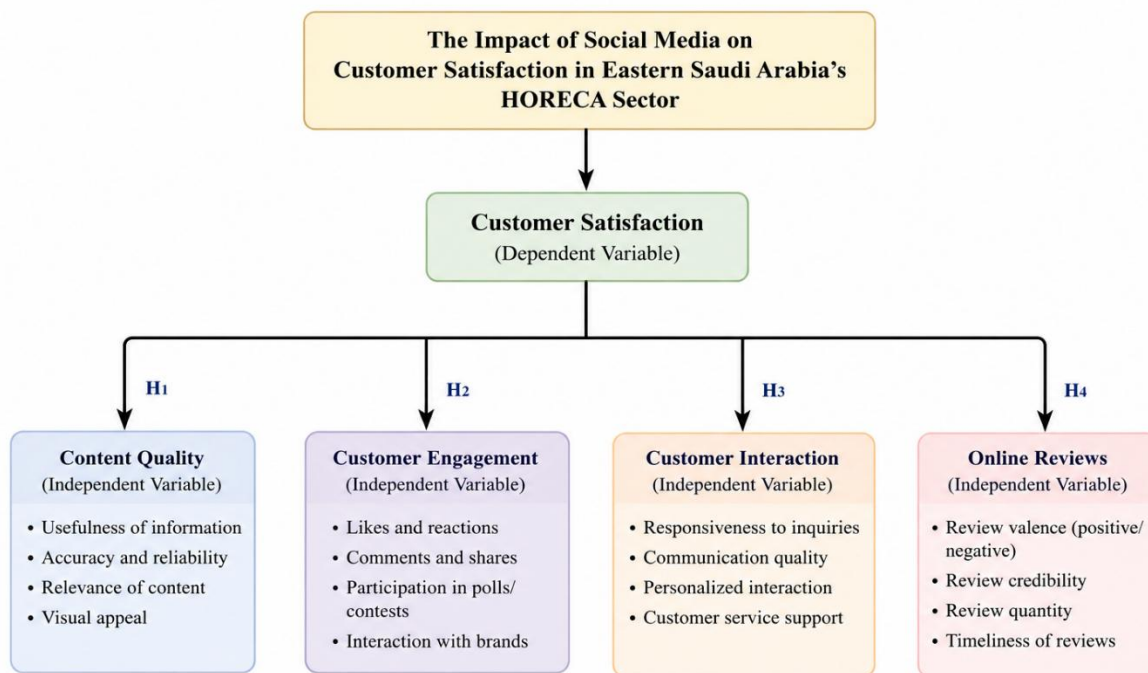


Figure 1. Proposed research framework.

## 1.8. Research Methodology

The present study employs a quantitative research methodology to investigate how social media influences customer satisfaction within the HORECA (Hotels, Restaurants, and Cafés) industry in Eastern Saudi Arabia. A cross-sectional research design has been selected because it enables data to be gathered from participants at

a single point in time, making it appropriate for examining the associations between social media practices and customer satisfaction through statistical techniques. The study population comprises individuals who have visited hotels, restaurants, or cafés in the Eastern Province of Saudi Arabia and regularly engage with social media platforms, including Instagram, X (formerly Twitter), Snapchat, Facebook, and TikTok. Participants will be selected using a convenience sampling method based on their accessibility and willingness to participate in the research. A sample of approximately 384 respondents is expected to provide sufficient data for meaningful statistical analysis.

Data for the study will be obtained through a structured online questionnaire created using Google Forms and distributed through different social media channels. The survey instrument will consist of two main sections. The first section will gather demographic information about the respondents, while the second section will assess the main study constructs, including social media engagement, online customer reviews, social media marketing activities, business–customer interaction, content quality and responsiveness, and customer satisfaction. Responses will be recorded using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaire items will be adapted from previously validated instruments reported in earlier studies. Prior to the main data collection, a pilot study may be carried out to evaluate the questionnaire's clarity, consistency, and overall reliability.

Following data collection, the responses will be analyzed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistical methods, such as frequencies, percentages, means, and standard deviations, will be applied to summarize participants' demographic characteristics and survey responses. The internal consistency of the measurement instrument will be evaluated using

Cronbach's Alpha coefficient. Furthermore, Pearson correlation analysis and multiple regression analysis will be conducted to examine the relationships among the study variables and to test the proposed hypotheses. All statistical analyses will be performed using a significance level of 0.05.

Ethical principles will guide the conduct of this research from the beginning to the end of the study. Individuals will participate of their own free will, and they will be informed about the purpose and nature of the research before deciding to complete the survey. No personally identifiable information will be collected, ensuring that participants' identities remain anonymous and that all responses are treated with strict confidentiality. The data obtained will be used solely to support the academic objectives of this research and will not be shared for any other purpose. Adhering to these ethical standards helps ensure the integrity of the research process while enhancing the reliability and credibility of the study's outcomes.

## **1.9. Scope of Study**

This study investigates the influence of social media on customer satisfaction in the HORECA (Hotels, Restaurants, and Cafés) sector in Eastern Saudi Arabia. It focuses on how hotels, restaurants, and cafés utilize social media platforms to market their services, engage with customers, respond to inquiries and feedback, and strengthen customer relationships. The research targets customers who have visited HORECA establishments in the Eastern Province and have interacted with these businesses through social media.

The study is limited to examining the following areas:

- The effect of social media engagement on customer satisfaction.

- The influence of online customer reviews on customers' perceptions and satisfaction.
- The role of social media marketing activities in enhancing customer satisfaction.
- The impact of communication and interaction between HORECA businesses and customers through social media.
- The contribution of high-quality content and timely responses to improving customer satisfaction.

The geographical scope is confined to the Eastern Province of Saudi Arabia, while the industrial scope is limited to the HORECA sector, including hotels, restaurants, and cafés. The findings are expected to help businesses better understand how social media can be used to improve customer satisfaction and strengthen long-term customer relationships.

## **1.10. Proposed Structure of the Research Project**

The research project will be organized into several chapters to provide a logical and systematic presentation of the study (Midocean University, 2026).

### **Chapter One: Introduction**

This chapter introduces the research by providing background information, defining the research problem, explaining the significance of the study, and presenting the research questions, objectives, hypotheses, and scope of the study.

#### **1.1 Research Background**

This section discusses the development of social media in the hospitality industry and explains its growing importance in influencing customer satisfaction within the HORECA sector.

## 1.2 Research Problem

This section identifies the research gap by highlighting the limited understanding of how social media influences customer satisfaction among hotels, restaurants, and cafés in Eastern Saudi Arabia.

## 1.3 Research Significance

This section explains the value of the study from both academic and practical perspectives. It outlines how the findings may contribute to existing knowledge while also providing useful insights for HORECA businesses seeking to improve customer satisfaction through social media.

## 1.4 Research Questions

This section presents the key questions that guide the investigation and define the issues addressed by the study.

## 1.5 Research Objectives

This section outlines the main aims of the research and specifies the objectives that the study intends to accomplish.

## 1.6 Research Hypotheses

This section states the hypotheses developed from the literature review, which will be examined through statistical analysis.

## 1.7 Scope of the Study

This section defines the geographical, industrial, and conceptual boundaries of the research, focusing on the HORECA sector in Eastern Saudi Arabia.

## Chapter Two: Literature Review

This chapter reviews previous academic studies and theoretical concepts related to social media marketing, customer satisfaction, customer engagement, online reviews, digital communication, and the HORECA industry. It also identifies research gaps that justify the current study.

## Chapter Three: Research Methodology

This chapter explains the research methods adopted in the study, including the research design, target population, sampling technique, data collection instrument, questionnaire design, and statistical techniques used to analyze the collected data.

## Chapter Four: Data Analysis and Results

This chapter presents the statistical findings obtained from the survey data. The results are analyzed and interpreted using appropriate statistical procedures to test the research hypotheses.

## Chapter Five: Discussion

This chapter interprets the findings by comparing them with previous studies and relevant theories. It discusses the implications of the results in relation to customer satisfaction and social media practices within the HORECA sector.

## Chapter Six: Conclusion and Recommendations

This chapter summarizes the main findings of the study, presents the overall conclusions, provides practical recommendations for HORECA businesses, and suggests directions for future research.

## Chapter Seven: References

This chapter contains a complete list of all academic books, journal articles, and other scholarly sources cited throughout the research, formatted according to the required referencing style.

## Chapter Eight: Appendices

This chapter includes supporting materials such as the research questionnaire, consent form, and any additional documents relevant to the study.

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